

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
(Richmond Division)**

In re: MOVIE GALLERY, INC., et al.	)	Chapter 11
	)	
Debtors.	)	Case No. 10-30696-DOT
	)	Jointly Administered

**OBJECTION OF SOUTH MOORHEAD ASSOCIATES, L.L.P. TO MOTION OF THE  
DEBTORS FOR ENTRY OF AN ORDER: (I) APPROVING AGREEMENT WITH  
GREAT AMERICAN WF, LLC; (II) AUTHORIZING THE SALE OF THE  
DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS,  
ENCUMBRANCES AND INTERESTS; (III) APPROVING A  
BREAK-UP FEE AND EXPENSE REIMBURSEMENT; (IV) APPROVING THE  
FORM AND MANNER OF THE NOTICE; AND (V) GRANTING RELATED RELIEF**

COMES NOW South Moorhead Associates, L.L.P. , (“South Moorhead” or the “Landlord”), by counsel, for its objection to the *Motion of the Debtors for Entry of Order: (I) Approving Agreement with Great American WF, LLC; (II) Authorizing the Sale of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances and Interests; (III) Approving a Break-Up Fee and Expense Reimbursement; (IV) Approving the Form and Manner of the Notice; and (V) Granting Related Relief*, [Docket No. 1109] (the “Motion”), and in support thereof, states as follows:

1. On February 2, 2010 (the “Petition Date”), the above-captioned debtors (the “Debtors”) filed a voluntary petition for bankruptcy relief under Chapter 11 of Title 11 of the *United States Code* (the “*Bankruptcy Code*”).

2. South Moorhead is a party with the Debtors to a certain unexpired non-residential real property lease (the “Lease”).

---

William A. Gray, Esquire – VSB #46911  
W. Ashley Burgess, Esquire – VSB # 67998  
C. Thomas Ebel, Esquire – VSB #18637  
Sands, Anderson, Marks & Miller, P.C.  
801 East Main Street, Suite 1800  
Post Office Box 1998  
Richmond, Virginia 23218-1998  
(804) 648-1636 Telephone  
(804) 783-7291 Facsimile  
*Counsel for South Moorhead Associates, L.L.P.*

3. On or about May 13, 2010, the Debtors filed their Motion.

4. South Moorhead joins in the objection filed by Glimcher Properties Limited Partnership [Docket No. 1124]. In particular, and without limiting the above joinder, South Moorhead objects to the Motion as follows:

- a. Any order approving the Motion should provide that any Store Closing Sales or GOB Sales are subject to a side agreement South Moorhead previously negotiated with the Debtors and Gordon Brothers.
- b. Any order approving the Motion should not limit objections that the landlords may raise in connection with any proposed assumption and assignment of the Lease.
- c. Any order approving the Motion should provide that notice of any proposed assumption or assignment must be given by overnight or electronic mail, and give South Moorhead at least 10 days to object.

5. Additionally, South Moorhead asserts that there are inconsistencies between the relief requested in the Motion – especially regarding the Agency Agreement (“AG”), and the period of time in the AG regarding Leasehold Disposition Rights, which appears to extend the time to assume or reject to (possible) plan confirmation – and Debtors’ Motion to Extend Due Date to Assume/Reject Leases (filed May 17, 2010 at Docket No. 1117) in which Debtor seeks to extend the lease assumption/rejection date to August 31, 2010 (“Assumption/Rejection Motion”). Any order approving the Motion should make clear that the due date to assume or reject lease is – assuming Debtor’s Assumption/Rejection Motion is granted—August 31, 2010.

6. South Moorhead joins in additional objections filed by landlords not inconsistent with this Objection.

WHEREFORE, by reason of the foregoing and any arguments made at hearing, South Moorhead Associates, L.L.P. respectfully requests that this Court a) either (i) sustain this Objection and deny the Motion in its entirety, or alternatively; (ii) enter an order approving the

Motion consistent with the above-requested modifications; and b) grant such and further relief to the South Moorhead as the Court deems just and proper.

Dated: May 18, 2010

**Respectfully Submitted,**

**South Moorhead Associates, L.L.P.  
By Counsel**

/s/ William A. Gray

William A. Gray, Esquire – VSB #46911  
W. Ashley Burgess, Esquire – VSB # 67998  
C. Thomas Ebel, Esquire – VSB #18637  
Sands, Anderson, Marks & Miller, P.C.  
801 East Main Street, Suite 1800  
Richmond, Virginia 23218-1998  
(804) 648-1636 Telephone  
(804) 783-7291 Facsimile  
*Counsel for South Moorhead Associates, L.L.P.*

**CERTIFICATE OF SERVICE**

I hereby certify on this 18th day of May, 2010, a true and accurate copy of the foregoing was electronically filed with the Court, which causes notice of electronic filing to be served on all registered users of the ECF system that have filed notices of appearance in this case. The foregoing was also served by email on the following:

Michael A. Condyles  
Kutak Rock  
Peter J. Barrett  
1111 East Main Street, Suite 800  
Richmond, VA 23218  
[michael.condyles@kutakrock.com](mailto:michael.condyles@kutakrock.com)

John A. Bicks  
Sonneschein Nath & Rosenthal LLP  
1221 Avenue of the Americas  
New York, NY 10020  
[jbicks@sonneschein.com](mailto:jbicks@sonneschein.com)

Monika J. Machen  
Sonneschein Nath & Rosenthal, LLP  
233 South Wacker Drive, Ste 7800  
Chicago, IL 60606  
mmachen@sonneschein.com

/s/ William A. Gray